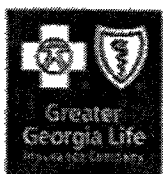


DEFENDANT GGL
EXHIBIT 3



GREATER GEORGIA LIFE INSURANCE COMPANY (the Company) hereby issues this Group Insurance Policy to

WESTPOINT HOMES, INC.

(Herein called the Policyholder) and agrees to pay the benefits of this policy subject to its terms and conditions.

This policy is issued in consideration of the application and payment of premiums as provided.

This policy is effective on the Effective Date shown below. The first policy anniversary shall be the Anniversary Date shown below. Subsequent anniversaries shall be on the same month and day in the years that follow.

POLICY NUMBER: GA 1255

EFFECTIVE DATE December 1, 2004

The provisions set forth on the following pages are a part of this policy. Greater Georgia Life Insurance Company executes this policy at Atlanta, Georgia on the Date of Issue.

Thomas C. Geisser

Thomas C. Geisser

Secretary

Richard S. Novack

Richard S. Novack,

President

GROUP DISABILITY INCOME INSURANCE

READ YOUR POLICY CAREFULLY

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GENERAL CONTRACT PROVISIONS

ASSOCIATED BUSINESSES

A. GENERAL CONTRACT PROVISIONS

Entire Contract. The entire contract between the parties consists of:

- a. the pages of this policy, with any amendments;
- b. the application attached to this policy;
- c. the applications from Employees, with Evidence, if any.

All statements made by You or any Employee are, in the absence of fraud, understood to be representations and not warranties. Such statements will not be used to contest coverage unless contained in the application. No statement by an Employee will be used in any contest unless a copy of the statement in writing has been furnished to the Employee or to his beneficiary.

Incontestability. After this policy has been in force for two years from its date of issue, We will not be able to contest its validity except in the case of non-payment of premiums. After an Employee's insurance has been in force during his lifetime for a period of two years, We will not be able to contest any statement made by the Employee relating to his insurability.

We can, at any time, use defenses based on provisions in this policy which relate to eligibility for coverage.

Modification of Contract. No provision of this policy may be modified or waived except by written agreement signed by Our President, Vice President or Secretary. The validity of such a change will not be subject to the consent of any Employee or beneficiary.

Conformity with State Statutes. If on the Effective Date any part of this policy is in conflict with State Statutes that govern it, the policy is hereby amended to meet the minimum requirements of such statutes.

B. ASSOCIATED BUSINESSES

Subsidiary and Affiliated Companies

Your policy covers Employees of the subsidiary and affiliated companies, if any, listed in the attached application (the Associated Businesses). For purposes of insurance such Employees are Your Employees. You, as the Policyholder, will act for and on behalf of all Associated Businesses in all matters pertaining to this policy.

SECTION I

SCHEDULE OF INSURANCE

BENEFIT PROVISIONS (Refer to SECTION IV, for requirements, limitations, and exclusions governing all amounts shown in this schedule). N.A. in any space means "NOT APPLICABLE - COVERAGE NOT APPLIED FOR".

Amount, or amounts, of benefits available to any Employee shall be determined in accordance with the classes described below:

BASIC PLAN:

CLASS	BASIC PLAN BENEFIT	DAY BENEFITS BEGIN		MAXIMUM BENEFIT PERIOD	
		INJURY	ILLNESS	INJURY	ILLNESS
All Regular Full-time Hourly Active Biddeford Employees	\$100/week	1 st Day*	8 th Day	15 Weeks	15 Weeks
All Other Regular Full-time Hourly Active Employees	\$ 60/week	1 st Day*	8 th Day	26 Weeks	26 Weeks

SUPPLEMENTAL PLAN:**Biddeford**

Bracket	Base Annual Earnings Minimum	Base Annual Earnings Maximum	Supplemental Benefit
1	\$0	\$12,750	\$10/week
2	\$12,751	\$15,000	\$30/week
3	\$15,001	\$17,000	\$50/week
4	\$17,001	\$19,250	\$70/week
5	\$19,251	\$21,500	\$90/week
6	\$21,501	\$23,750	\$110/week
7	\$23,751	\$26,000	\$130/week
8	\$26,001	Over	\$150/week

DAY BENEFITS BEGIN		MAX BENEFIT PERIOD	
INJURY	ILLNESS	INJURY	ILLNESS
1 st Day*	8 th Day	15 Weeks	15 Weeks

WestPoint Homes, Inc. (excluding Biddeford)

Bracket	Base Annual Earnings Minimum	Base Annual Earnings Maximum	Supplemental Benefit
1	\$0	\$12,750	\$70/week
2	\$12,751	\$15,000	\$90/week
3	\$15,001	\$17,000	\$110/week
4	\$17,001	\$19,250	\$130/week
5	\$19,251	\$21,500	\$150/week
6	\$21,501	\$23,750	\$170/week
7	\$23,751	\$26,000	\$190/week
8	\$26,001	Over	\$210/week

DAY BENEFITS BEGIN		MAX BENEFIT PERIOD	
INJURY	ILLNESS	INJURY	ILLNESS
1 st Day*	8 th Day	26 Weeks	26 Weeks

If an employee suffers an accident (a sudden and unexpected event requiring treatment by a physician), benefits will be payable as of the date an employee first receives medical care as a result of the accident.

Disability Income Benefits in this policy are stated and payable as:	Weekly Benefits
Pregnancy Benefits (normal pregnancy, childbirth or elective abortion):	Included
Occupational Coverage:	N.A.
Pre-existing Condition Limitation:	N.A.

ELIGIBILITY DATES (Refer to SECTION V-A for complete provisions):

BASIC PLAN:

Eligible on the date that is 3 months after the date of employment.

SUPPLEMENTAL PLAN:

Eligible on the date that is 3 months after the date of employment. An Employee must enroll on or before the 31st day following the date the Employee becomes eligible in order to avoid having to submit evidence of insurability.

SECTION II

SCHEDULE OF PREMIUM RATES

Refer to SECTION VI-C, PREMIUMS, for provisions regarding rates.

BASIC PLAN:

.83/\$10 Weekly Benefit
Employer Paid

SUPPLEMENTAL PLAN:

Biddeford

.78/\$10 Weekly Benefit
Employee Paid

WestPoint Homes, Inc. (excluding Biddeford)

1.42/\$10 Weekly Benefit
Employee Paid

Rate Guarantee: The above rates will be in effect for the first two years following the policy effective date.

SECTION III

DEFINITIONS

Wherever used in this policy:

1. "You" or "Your" refers to the Policyholder.
2. "Employer" refers to the Policyholder, including any Associated Business whose Employees are insured by this policy.
3. "We", "Our", and "Us" refers to Greater Georgia Life Insurance Company (the Company).
4. "Employee" means a person working for the Employer on a regular full-time hourly basis for twenty (20) hours or more per week and who is compensated by the Employer for such work.

The term "Employee" does not include any person who: (1) is residing outside the United States; (2) is a director (if the Employer is a corporation) solely because of such directorship; (3) is a partner or proprietor (if the Employer is a partnership or proprietorship) unless he is actively engaged in, on a full-time basis, the conduct of the Employer's business; (4) is a leased employee or independent contractor working for the Employer; or (5) is a member of a bargaining unit unless the terms of the bargaining unit agreement with the Company provide for participation in this policy.

5. "Insured" means an Employee: (1) who is eligible for coverage; (2) for whom enrollment requirements have been met; and (3) for whom all due premiums have been paid. The words "he", "his", or "him" may be used to refer to an Insured, male or female.
6. "Evidence" or "Evidence of Insurability" means all information that We may require for determining the insurability of a proposed Insured. A requirement of Evidence means that We must find such person acceptable for insurance under this policy.
7. "Classification" or "Class" refers to categories of Employees used to identify insurance coverage on the Schedule of Insurance. This may be one class, such as "all employees", or classes, such as "Active Officers" and "All Other Employees".
8. "Injury" means only bodily injury which requires treatment by a physician.
9. "Illness" means sickness or disease which requires treatment by a physician.
10. "Active" means the active expenditure of time and energy in the services of the Employer by an Employee at his normal place of employment. An Employee is deemed Active on each day of a regular paid vacation or on a regular non-working day, provided he is not disabled and was Active on the last scheduled working day preceding such vacation or non-working day. An Employee is deemed Active on each day he is on an Employer approved leave of absence with short term disability benefits.
11. "Totally Disabled" or "Total Disability" means that the Employee: (1) is unable, due to a disability (whether illness or injury), to perform all of the duties of his regular occupation, supported by objective medical evidence; (2) is under the regular care and attendance of a physician, appropriate for the condition causing the disability; and (3) is not otherwise employed for wage or profit.

SECTION IV

BENEFIT PROVISIONS

DISABILITY INCOME BENEFITS FOR EMPLOYEES

Clause A

BENEFITS PAYABLE

If an Employee, while insured, becomes Totally Disabled because of an Injury or Illness, We will pay the applicable Weekly Benefit.

The applicable Weekly Benefit will be the amount available to the Employee under the Basic Plan Benefit shown on the Schedule of Insurance; and the amount elected by the Employee in his Individual Application. Such amount will be reduced by the amount of Other Income Benefits shown below.

Other Income Benefits

As used in this provision, the term "Other Income Benefits" means those benefits shown here:

1. The amount of any disability income benefits for which an Employee is eligible under any compulsory benefit act or law.
2. The amount of disability income benefits for which an Employee is eligible under:
 - any other group insurance plan of the Policyholder;
 - any governmental retirement system as a result of your employment with the Employer.
3. The amount of disability benefits for which an Employee is eligible under the United States Social Security Act, or any similar plan or act.
4. The amount an Employee receives as a result of any action brought under Title 46, United States Code Section 688 (The Jones Act).
5. The amount of similar benefits an Employee receives under the mandatory portion of any "no fault" motor vehicle plan.

These Other Income Benefits must be payable as a result of the same disability for which the Insurer pays a benefit.

If the Insurer determines that an Employee qualifies for Other Income Benefits listed above, the Insurer will estimate the amount for which the Employee may qualify. Then the Employee's Weekly Benefit will be reduced by the estimated amounts if such benefits:

- have not been awarded and have not been denied; or
- have been denied and the denial is being appealed.

SECTION IV

BENEFIT PROVISIONS

**DISABILITY INCOME BENEFITS FOR EMPLOYEES
(continued)**

An Employee's Weekly Benefit will not be reduced by any estimated amounts if the Employee:

- applies for Other Income Benefits and appeals the denial of such benefits to all levels the Insurer believes are necessary; and
- promises to pay the Insurer any overpayment caused by an award by signing the Insurer's payment option form.

If the Employee's Weekly Benefit has been reduced by an estimated amount, the Weekly Benefit will be adjusted when the Insurer receives proof: (1) of the amount awarded; or (2) that benefits have been denied and the Insurer determines that all necessary appeals have been completed. In this case, a lump sum refund of the estimated amount will be made to the Employee.

If an Employee receive a lump sum payment for any Other Income Benefits, the Insurer will deduct the lump sum from the Employee's Weekly Benefit by pro-rating the lump sum on a weekly basis over the time period for which the lump sum was given. If no time period is stated, the lump sum will be pro-rated on a weekly basis to the end of the Maximum Benefit Period.

Disability Income Benefits start on the Day Benefits Begin, as shown in the Schedule of Insurance, or, if later, on the day following the last day of paid sick days provided by the Employer for such Total Disability. Disability Income Benefits will end: (1) on the day the Total Disability ceases; or if earlier (2) at the end of the Maximum Benefit Period for any period of Total Disability. The Maximum Benefit Period is shown in the Schedule of Insurance.

Successive periods of Total Disability which are separated by less than 31 days of continuous active employment shall be considered as one continuous period, unless they arise from different and unrelated causes. If a successive period of Total Disability arises from different and unrelated causes, and the Employee completes at least one full day of Active work prior to the onset of a successive period of Total Disability, the successive period shall be considered a new period of Total Disability. All periods of Total Disability related to any one pregnancy shall be considered one disability.

Disability Income Benefits are prorated on a daily basis. The amount payable for each day is computed as one-seventh of the Weekly Benefit.

Basic Weekly Earnings or Pre-disability Income

The term "Basic Weekly Earnings" or "Pre-disability Income" means your weekly rate of earnings from the Employer in effect immediately prior to the date Total Disability begins. It does not include bonuses, overtime pay and extra compensation, other than commissions. Commissions will be averaged over the 12 month period prior to the date Total Disability begins, or over the period of employment if the Employee has been employed for less than 12 months.

SECTION IV

BENEFIT PROVISIONS

**DISABILITY INCOME BENEFITS FOR EMPLOYEES
(continued)**

Clause B

EXCEPTIONS

We will not pay benefits for any period of Total Disability which results from:

1. Injury or illness for which the Employee is entitled to benefits under any worker's compensation or similar law;
2. Injury which arises out of, or is caused, or contributed to by, any employment or occupation for pay or profit;
3. Intentional self-inflicted injury, whether sane or insane;
4. War, declared or not, including any act of aggression or resistance to aggression by any country or combination of countries, whether or not the Employee is in military service;
5. Injury sustained while the Employee is in military service for any country at war;
6. Injury sustained while committing, or attempting to commit, a felony; resisting or fleeing from arrest; or being engaged in illegal activities; or
7. Being under the influence of alcohol (unless registered in an Employer approved treatment/rehabilitation center); voluntarily taking, inhaling, or absorbing into the body any hallucinogen, narcotic, or other drug (unless prescribed for the Employee by a physician); voluntarily inhaling gas or fumes or voluntarily taking poison.

SECTION V

PROVISIONS RELATING TO INSURED

A. ELIGIBILITY

An Insured is entitled to benefits of the Employee Class for which he has been enrolled. Each Employee Class is shown in the Schedule of Insurance. Temporary and part-time employees are not eligible.

The date on which an Employee becomes eligible:

1. Original/New Employee: As stated in the Schedule of Insurance.
2. Reinstatement: An Employee who returns to work for You will be treated as a new Employee unless the provisions of Part V-F, REINSTATEMENT AFTER TEMPORARY ABSENCE, apply.

All eligible Employees must apply for all insurance for which You are paying the full cost.

If an Employee works for You in more than one job, he will be insured as a member of one Employee Class only. He may not have double coverage under this policy. If an Employee is eligible as an Employee under two separate similar policies issued by Us, he can become insured as an Employee under only one of the two policies.

SECTION V

PROVISIONS RELATING TO INSURED

B. EVIDENCE OF INSURABILITY

1. Increase in Benefits

We have the right to require Evidence for approval of any increase in benefits due to: (i) a change in an Insured's class; or (ii) because of amendment of this policy.

2. Late applicant

An Employee must apply for insurance on or before the 31st day after he becomes eligible for the insurance. If he fails to (i) apply within this time period, (ii) apply in writing, and (iii) pay any applicable part of the cost, Evidence will be required.

3. Reinstatement

If an Employee wishes to reinstate his insurance, he must furnish Evidence, unless the provisions of Part V-F, REINSTATEMENT AFTER TEMPORARY ABSENCE, apply.

Evidence required under (2) and (3) must be furnished without expense to Us.

C. WHEN INSURANCE BECOMES EFFECTIVE

The insurance of an Employee will become effective on the date indicated in (1) and (2) below if such person is Active on that date. Otherwise, the effective date will be deferred until the day following the date he becomes Active.

1. If Our approval of Evidence is not required:

Employee insurance for which the Employee is required to pay any part of the cost becomes effective on:

- the date he is eligible for the insurance if application for it is filed on or before such date; or
- the date of the application for it, if it is filed on or before the 31st day after becoming eligible for the insurance.

Employee insurance for which the Employee is not required to pay any portion of the cost becomes effective on the date he is eligible for it. If We do not receive an application for the insurance, We must provide the insurance and You must pay the premiums from the date the Insured was eligible.

2. If Our approval of Evidence is required:

Insurance requiring Evidence becomes effective on the first day of the month following the date of Our approval. If approval is not granted, insurance does not become effective.

Page V-2

SECTION V

PROVISIONS RELATING TO INSURED

**D. WHEN INCREASES OR DECREASES IN AMOUNTS
OF INSURANCE ARE EFFECTIVE**

Changes in amounts of indemnity resulting from a change in the Schedule of Insurance requested by the Employer or from a change requested in an Individual Application by an Employee will apply to any Total Disability of an Employee commencing on and after the effective date of such change. Benefits for Total Disability of an Employee commencing before the effective date of the requested change will be payable under the Schedule and Individual Application in effect at the commencement of that disability.

Increases in amounts of indemnity due to a change in Class or change within a Class because of job classification or change in salary amount will become effective on the premium due date coincident with or next following the date of the change, provided that:

- a. If Evidence is required of an Employee, the date his increase is effective is subject to Our approval of the Evidence;
- b. If the Employee is not Active on the date the increase would otherwise become effective, the increase will be effective on the day following the date he becomes Active;
- c. If We are not notified of the increase on or before the 31st day after the change occurs, the increase will not be effective until the premium due date coincident with or next following the date We receive notice of the change.

Decreases in amounts of indemnity due to a change in Class or change within a Class because of job classification or change in salary amount are effective on the premium due date coincident with or next following the date of the change, whether We are notified on a timely basis or not.

SECTION V

PROVISIONS RELATING TO INSURED

E. THE DATE ON WHICH INSURANCE TERMINATES

Insurance on an Employee terminates upon the earliest of:

1. the date this policy terminates;
2. the date the Employee terminates employment or ceases to be Active due to layoff or certain leaves of absence (as determined by the Employer), or because of Injury or Illness;
3. the date the Employee ceases to meet the definition of "Insured";
4. the date the Class of the Employee is deleted from this policy or the Employee ceases to be eligible under any Class of this policy;
5. for any Employee whose insurance is through an Associated Business which ceases for any reason to be eligible for insurance under this policy, the date such event occurs;

SUPPLEMENTAL PLAN ONLY:

6. the due date of the first premium towards which the Employee fails to contribute, if contributions are required.

Termination of insurance shall be without prejudice to any claim originating prior thereto.

F. REINSTATEMENT AFTER TEMPORARY ABSENCE

A regular Employee whose insurance terminates solely because of a temporary absence due to his not being Active as a regular full-time Employee may be eligible for automatic reinstatement of his insurance. Automatic reinstatement means that under the conditions below, We will not require Evidence when the Employee returns to work.

BASIC PLAN:

We will automatically reinstate the terminated insurance on the date the Employee completes one full day of Active work after the temporary absence, provided the following conditions are met:

1. The temporary absence is due solely to:
 - Your granting the Employee an authorized leave of absence without Short Term Disability benefits;
 - The Employee being temporarily laid off by You;
 - A leave of absence that is in compliance with the Family Medical Leave Act; or
 - Being called to active duty as a reservist with the U.S. Armed Forces Reserve;
2. The Employee returns to work and becomes Active as a regular full-time Employee of the Employer and is under an eligible Class; and
3. If the absence was due to Injury or Illness, the return must be made within 12 months after the insurance terminated (except in the case of an absence due to an injury or illness for which the employee is entitled to benefits under any worker's compensation or similar law, in which case, the 12 month limit does not apply), or, if earlier, on the first date the Employee is able to work following the Injury or Illness.

SUPPLEMENTAL PLAN:

We will automatically reinstate the terminated insurance on the date the Employee completes one full day of Active work after the temporary absence, provided the following conditions are met:

1. The temporary absence is due solely to:
 - Your granting the Employee an authorized leave of absence without Short Term Disability benefits;
 - the Employee being temporarily laid off by You;
 - a leave of absence that is in compliance with the Family Medical Leave Act; or
 - being called to active duty as a reservist with the U.S. Armed Forces Reserve;
2. The Employee returns to work and becomes Active as a full-time Employee of the Employer and is under an eligible Class;
3. If the absence was due to Injury or Illness, the return must be made within 12 months after the insurance terminated (except in the case of an absence due to an Injury or Illness for which the employee is entitled to benefits under any worker's compensation or similar law, in which case, the 12 month limit does not apply), or, if earlier, on the first date he is able to work following the Injury or Illness; and
4. If during an authorized leave of absence, the Employee fails to pay the premium, the Employee must complete the 3 month eligibility requirement upon returning to work. If the Employee is out on Total Disability and exceeds the Maximum Benefit Period, the Employee is eligible on the date he returns to work. During any period that exceeds the Maximum Benefit Period, no premium is due.

SECTION VI

POLICY PROVISIONS

A. CLAIMS

Notice of Claim. Written notice of claim must be given to Us within thirty days after the loss begins, or as soon as reasonably possible. Notice must be given to Us at Our home office or to one of Our agents. Notice given by or on behalf of the Insured must have information which will identify the Insured.

Claim Forms. When We receive notice of claim, We will furnish forms used for filing proofs of loss. If We do not furnish forms within ten working days after notice was given, proof of loss requirements will be met by sending Us, within the time for filing proofs of loss, written proof of what caused the loss, when and how it happened and its extent.

Proof of Loss. We require written proof that We owe a claim before We pay it. Proof is due within 3 months from the end of the period for which a benefit is payable. If it is not reasonably possible to furnish Us proof within the 3 month period, We will pay any claim We owe if proof is furnished as soon as possible and within one year. If no one can legally submit the proof within a year, We will accept proof at the time it can be given.

A written notice will be mailed in fifteen working days from the time We receive the written proof of loss if the proof is inadequate to permit payment of the claim. This notice will state the reasons the claim is denied and will list the documents or information needed to process the claim. The notice will also comply with applicable ERISA requirements.

Time of Payment of Claims. We will pay claims that We owe immediately after We receive proof of loss. Where We have requested additional documents or information, We will pay the benefits immediately when We receive the required documents or information. If the claim is denied, We will give the reasons within fifteen working days from the time We receive the required documents or information. If a valid claim is not paid within 15 working days after all requested information has been furnished, the person entitled to such benefits may bring action to recover the benefits, accrued interest and any other damages as may be allowed. Interest at 18% per year will be paid on any benefits not paid in accord with the above provisions.

Payment of Claims. We will pay benefits provided by this policy to the Employee. We will pay any unpaid benefits due at the Employee's death to the Employee's estate.

If any benefits are payable to the Employee's estate, We may pay up to \$1,000 of such benefits to any relative by blood or connection by marriage of the Employee appearing to Us to be equitably entitled thereto. We will be discharged from all liability to the extent of such payment.

Physical Examination. We will have the right to examine the Insured as often as is reasonable while a claim is pending. We will pay for these examinations.

Legal Action. Legal actions may not be brought to recover on these benefits until 60 days after the date proof of loss was filed. No such action may be brought after 3 years from the date proof of loss is required to be filed. These limits will be extended to agree with any other period required by law.

SECTION VI

POLICY PROVISIONS

B. GENERAL

Furnishing and Verification of Information. You will furnish Us all information We need to administer the coverage and to determine premiums under this policy. You must also provide Us proofs We may reasonably require with respect to this policy or any insured under this policy. We have the right to review Your payroll and personnel records which may have a bearing on the insurance under this policy.

If amounts in the Schedule of Insurance are based on salary, You will furnish earnings changes at least once each year, but more often if needed to inform Us of amount changes as they occur.

The premium statement is Your record of enrollment information that We have received and processed as of the date the statement is prepared. You must check it to see if it is correct. You must let Us know if it is not correct.

Clerical Error. Any clerical error or failure will not alter the status of insurance otherwise validly in force or validly terminated. We will make an equitable adjustment of premiums.

Individual Certificate. We will issue to each Employer an individual certificate for each insured Employee. Such individual certificates will set forth: (1) the Employee's insurance protection; (2) the Employee's rights and privileges under this policy. These certificates will not void any of the terms and conditions of this policy. Neither will they be a part of this policy.

Agency. At all times You will be considered to be the legal agent for Your employees applying for coverage under this policy. You will never be considered to be Our agent. Any knowledge You may have, including but not limited to eligibility of an Employee, will not be considered imputed to Us.

Non-Participating. This policy will not share in Our surplus earnings.

SECTION VI

POLICY PROVISIONS

C. PREMIUMS

The premium rates which apply on the Effective Date are shown in the Schedule of Premium Rates. These rates will continue in effect until changed in accordance with "Right to change premium rates".

1. Premium Computation

a. Unit premium rates:

The premium unit for each benefit and the premium rate per unit is shown in the Schedule of Premium Rates.

b. Aggregate premium:

The total premium is calculated by multiplying each premium rate by its respective number of units, and summing the results.

c. Partial months:

The premium charge or credit for insurance becoming effective, terminating, or changing is computed as of the effective date of the transaction.

d. Retroactive charges and credits:

Any premium charge will be as needed to adjust to the correct premium for coverage that has been provided.

Any premium credit will be refunded in full if the effective date of the change is on or after the last anniversary of this policy. Otherwise, a maximum of six months premium credit will be refundable.

2. Payment of Premiums

The first premium is due on the Effective Date. Each premium thereafter is due on the first day of each calendar month. Premiums are payable to the date of termination, including any part of the grace period for which insurance is provided.

A premium will be considered due and payable on its due date. If prior to a due date We receive written notice that the policy will terminate on a date prior to the due date, then no premium will be due on such date.

The aggregate premium due Us on any premium due date is the total amount determined under Premium Computation.

(continued on next page)

SECTION VI

POLICY PROVISIONS

Premiums are payable to Us at Our home office or to Our authorized agent in exchange for Our official receipt, signed by Our President, Vice President or Secretary. Payment to any other person or entity not authorized and approved by Us in writing will not be payment to Us.

A check will not be a payment unless honored by the bank.

3. Grace Period

You have a grace period of thirty-one days in which to pay each premium due after the first premium payment. This policy will remain in force until the end of the grace period or until earlier receipt from You of a written request for earlier termination. Premiums are payable for any part of the grace period for which insurance is provided.

4. Change of Mode

You may request a change of frequency of premium payment on any Anniversary Date to annual, semi-annual, quarterly, or monthly.

5. Premiums for Associated Business

You are responsible for the amount and for the timely payment of any premium applicable to any Associated Businesses, whether or not separate premium statements are billed.

6. Right to change premium rates

We have the right to change the premium rates in the Schedule of Premium Rates on the Anniversary Date and on any premium due date thereafter. You will be notified at least 90 days in advance of such change. However, once a change has been made, We do not have the right during the three month period following the date of such change, to make a further change, unless the provisions of this policy are modified.

SECTION VI

POLICY PROVISIONS

D. TERMINATION OF POLICY

This policy may be continued in force except as provided below:

1. Your request for termination - You may request termination of this policy to take effect upon the day We receive Your request or upon a later date requested.
2. Failure to pay premium - Unless You request termination before a premium becomes due, You owe Us the premium becoming due and insurance is in force during the grace period. If a premium is not paid within its grace period, this policy will terminate upon the earlier of: (a) the last day of the grace period; or (b) an earlier date during the grace period which is a termination date You requested.
3. Failure to meet Employee participation requirements - For any insurance requiring Employee contributions, the percentage of eligible Employees insured must be at least as great as the Employee Participation Requirement shown in the application for this policy. For any insurance requiring no Employee contributions, 100% of the Employees eligible for it must apply to be insured. In any event, ten or more Employees must be insured for each coverage provided in this policy. We reserve the right to terminate the insurance if any of these requirements are not met on any premium due date.
4. Cessation or sale of business - This policy will terminate on the date Your business operation is suspended, closed or sold. Insurance of any Associated Business will terminate on the date its business operation is suspended, closed or sold.
5. Our notice of non-renewal - We reserve the right to refuse to renew this policy on the Anniversary Date and on any premium due date thereafter. We must give you written notice at least 90 days prior to such date if we exercise this right.

Termination will occur on the earliest date above.

Your receipt of any premium notice for a month after the termination date will not alter nor affect the termination. Our acceptance of premium payment for a month after the termination date will not continue this policy in force beyond such termination date. Any such payment will be refunded.